



June 5, 2006
 Mitsui Chemicals, Inc.
 Prime Polymer Co., Ltd.

Mitsui Chemicals to Augment Polypropylene Automotive Materials Capacity in North America, Thailand and China

Mitsui Chemicals, Inc. (MCI) and Prime Polymer Co., Ltd. have decided to augment annual polypropylene production capacity in North America, Thailand and China by 27%, for a combined annual total of 63,000 tons. This move is being taken to ensure MCI can respond to growing demand for polypropylene-based automotive materials in the North American and Asian regions.

Overview of the Augmentation Plan

Region	Name	Production capacity (tons/yr)		
		End of 2005	Increase	Post-augmentation (May 2007)
North America	Advanced Composites Inc. (Ohio Plant)	98,000	11,000	109,000
	(Tennessee Plant)	57,000	6,000	63,000
	Advanced Composites Mexicana S.A. DE C.V.	15,000	5,000	20,000
Thailand	Grand Siam Composites Co., Ltd.	52,000	32,000	84,000
China	Mitsui Advanced Composites (Zhongshan) Co., Ltd.	15,000	9,000	24,000
Europe	Mitsui Chemicals Europe GmbH	(10,000)		(10,000)
Total (excl. external sourcing)		237,000	63,000	300,000

*External production source

The Mitsui Chemicals Group views the polypropylene-based automotive materials business, chiefly overseen by subsidiary Prime Polymer, as one of the core businesses of its Petrochemicals Business Group.

The annual growth rate in worldwide automobile production is currently around a few percents. By fiscal 2007, the number of vehicles produced by Japanese automakers is expected to grow around 10% annually as these firms begin to

accelerate their global business development.

In this climate, Prime Polymer is upgrading and expanding its global production framework with four key bases in Japan, North America, Europe and Asia. This latest augmentation of capacity in North America, Thailand and China will ensure that the company can further enhance its already globally top-ranking supply capacity for polypropylene-based automotive materials.

MCI and Prime Polymer are ready to meet the coming needs of Japanese automakers as they expand their operations worldwide. With a production, sales and technology service structure on hand for delivering high-quality finished products, both companies remain committed to further enhancement and expansion of their polypropylene business.

Reference

<1. Overview of Advanced Composites Inc.>

- (1) Established: January 2003
- (2) Capital: US\$14.1 million
- (3) Investment: Mitsui Chemicals, Prime Polymer (62.8%), and others (37.2%)
- (4) Head office: Ohio, USA
- (5) Plant locations: Ohio and Tennessee

<2. Overview of Advanced Composites Mexicana S.A. DE C.V.>

- (1) Established: February 1994
- (2) Capital: US\$2.6 million
- (3) Investment: Advanced Composites Inc. (100%)
- (4) Head office and plant: Aguas Calientes, Mexico

<3. Overview of Grand Siam Composites Co., Ltd.>

- (1) Established: February 1996
- (2) Capital: 63.7 million baht
- (3) Investment: Mitsui Chemicals, Prime Polymer (48.2%), Cementhai Chemicals (46.2%), and others (5.6%)
- (4) Head office: Bangkok, Thailand
- (5) Plant location: Rayon, Thailand

<4. Overview of Mitsui Advanced Composites (Zhongshan) Co., Ltd.>

- (1) Established: April 2004
- (2) Capital: US\$9.23 million
- (3) Investment: Mitsui Chemicals, Prime Polymer (70%), Cementhai Chemicals (20%), and others (10%)
- (4) Head office and plant: Zhongshan, Guangdong Province, China